

To: Renewable Advisory Board

From: Janice McClanaghan,
Energy Office

Date: August 2, 2005

Subject: Update

The following is the August 2005, monthly update for the Renewable Energy Fund:

RES Programs/Supply

- 1) RES Negotiating Rulemaking – The final meeting of the RES Negotiating Committee is scheduled for August 9th. The final Report from the Group needs to be filed by the 15th of August. The Commission has requested a technical session with the Group for August 31. During the technical session, the Commission has requested a brief overview of the Report, followed by questions from the Commission on whatever they would like to better understand. The Commission hopes to get draft regulations out by September 15th after which there would be a formal notice and comment process.

Wind Projects (On-Site and Grid-Connected)

- 2) URI –Final plans are being made to install the anemometer on the WRIU radio tower.
- 3) Portsmouth Abbey Wind –The Abbey has signed a contract with Vestas for the purchase of the turbine. Soil borings have been taken in anticipation of the foundation being poured this summer. The turbine will be installed in Spring 2006.
- 4) Raytheon – The anemometer has been installed and the photosimulations are nearly completed.
- 5) Roger Williams University Wind Center – See attached Update. Professor Pavlides will be providing an update in person to the Board at the August 2005 meeting.
- 6) Avian Issues – Over the last several months, CESA has initiated in-depth discussions with the Washington D.C. office of the USFWS regarding concerns with the Interim Guidance on Reducing Impacts to Avian Species from Wind Development and its unilateral, top-down, one-size-fits-all approach to wind projects, without meaningful input from the states. CESA also filed formal comments on the draft guidance, highlighting the relatively low risk to avian species from today's wind turbines and recommending the use of an adaptive management approach (allow projects to go forward conditioned on good monitoring to determine if avian mortality is a greater problem that current data indicates, and if so, require mitigation). In response to CESA's efforts, the Service appears receptive to a proposal for the creation of a formal collaborative process, hosted by the CESA states, to try to develop a cooperative set of protocols and a consistent state-federal approach to minimizing avian impacts while facilitating wind project siting. Ben Tuggle, USFWS Chief of Federal Program Activities, informed CESA last week that the Service will not finalize its Guidance without first engaging in a stakeholder process with the CESA states and other industry participants. CESA has also been working actively with AWEA regarding the States efforts, as AWEA likewise is proposing a collaborative approach to the Service. See email from Mark Sinclair of CESA for more details on the proposed collaborative process.

- 7) Berkshire Wind – The project developer is in the process of procuring turbines. They are asking for concessions on contracts (presumably turbine supply), have selected a contractor, and were waiting for PTC extension, which has happened.
- 8) Wind Production Tax Credit - The production tax credit has been extended for 2 more years (expiring December 31, 2007) by Congress.

Hydro and Ocean Technologies

- 9) Energetech Point Judith Ocean Wave Project – Energetech has filed a Declaration of Intention with FERC requesting that FERC not require licensing for the project. FERC has confirmed receipt of the Declaration of Intention and the review has begun. Energetech has an official contact at FERC who should be able to provide updates on the timing and Energetech will check in four weeks time to ascertain the status. This month, Energetech convened a meeting of the environmental consultants who will be conducting the assessments in support of the permit applications to CRMC and other regulatory bodies, regardless of whether FERC waives or confirms jurisdiction. This process will be managed on behalf of the project by ASA of Narragansett, who have strong ties with the CRMC, and have done extensive assessments for other projects under their jurisdiction. Energetech has received Scopes of Work from ASA and URI for environmental work to begin in late August through early October. These Scopes of Work are being collated into a new package for the Massachusetts Renewable Energy Trust for their approval under the terms of the existing grants. With MTC's concurrence, the assessments will begin.
- 10) Royal Mills Hydro – No Update.
- 11) Rentricity –
 - a) Pawtucket Design Project - As reported in the July 12 Board meeting, Rentricity has been working with the Pawtucket Water Supply Board and the design/build/operate firm Earthtech to obtain the release of information necessary to support evaluation of possible energy recovery system designs. During this meeting, Rentricity noted it was projecting a release of the important interface information by August 1. A package of drawings, specs, and operational data was received on July 29. Energetech has begun review of this data. The remainder of the project is anticipated to proceed without further delay.
 - b) Providence Water FERC Exemption Project - Construction level drawings have been received by Providence Water and are currently under electrical and mechanical engineering review. The FERC application composition started on July 25th.

- 12) Slater Mill Hydro Project –No Update.

Voluntary Market Support – Customer Sited

- 13) Solar on Schools – See Entech Engineering Update.
- 14) Low Income Solar – See attached meeting notes.

Voluntary Market Support – Green Power

- 15) Renewable Energy Customer Aggregation (RECA) RFP and Proposal to Large Customer Program – See attached Think Energy Update. Think has reported that the vendor is in negotiations with another party for the full output of the wind project, a portion of whose RECs and CFD were under discussion for sale to RECA. Think also indicates that the vendor's potential offtaker may or may not provide RECs and CFDs to RECA. In addition,

Brown and RWU are the only RECA members who seem to be fully committed to the transaction; and only Brown is committed to purchasing RECs.

- 16) State House Green Power Purchase – Review of proposals has been completed and a recommendation will be forwarded to Purchasing.
- 17) GreenUp – As of the end of July, 2005, there have been a total of 2722 GreenUp signups, as compared to 2583 at the end of June, 2005. National Grid has been meeting with the marketers to finalize the October ballot planning. The marketers have a series of requests for program changes and ballot funding which Erich Stephens will present at the August 2005 Advisory Board meeting.

Outreach and Education

- 18) Smartpower –
 - a) See attached update.
 - b) Clean Water Action 20% by 2010 Campaign - As Emily Rochon notified the Board, the Mayor has signed the 20% by 2010 ordinance. Providence is now officially the first city in Rhode Island and capital in the Northeast to make this commitment. The next step for this campaign will be to work with the Council on the formation of the Energy Task Force that will explore ways for the City to meet its renewable energy goals.
- 19) Audubon – The Fund will have its September Advisory Board meeting at Audubon to provide Audubon with the opportunity to showcase its educational display and curriculum. Audubon has received a 2% return rate from a mailing to supporter. The mailing was to 5,000 households and approximately 128 responses have been received. The text of the direct mail letter was used to create a full page ad that ran in the Jamestown Press and Barrington Times newspapers the week of July 11th. Audubon chose those two papers because they seem to get more response from those two communities. Three responses have been received back from that advertising, and it will not be repeated. Audubon is still working with the curriculum at camp and public programs to see how the education material is working. This will be continuing through August.
- 20) Green-e Support – People's Power and Light will be making a presentation at the August Advisory Board meeting asking that the Green-e certification requirement be dropped from the Small Customer program for the 50% products. A proposed simple solution would be that the 100% of usage product has to meet the Green-e standard still, and that the 50% of usage product would automatically be eligible as long as it is just half the 100% of usage product. Some concerns raised by Bob Grace over dropping the Green-e requirement are:
 - Why have we supported Green-e in the past and required supported products to meet or exceed the Green-e standard. There were several reasons, not just one, and not just to aid marketing... they included setting a minimum standard for credible green products; providing a substitute for the watchdog function of disclosure rules, previously absent in RI; providing the marketing boost that certification provides in other industries; etc.
 - If we alter the program guidelines in a way that has the effect of all marketers in New England dropping Green-e, our decision may have the effect of casting Green-e into irrelevance throughout the region. What is the likely result of a decision to amend the small customer program as requested?
 - Many organizations (among them were Save the Bay, Clean Water Action, Union of Concerned Scientists, the PIRGs, AMC) invested quite a bit of time in establishing New England Green-e standards as a safe haven from criticism of green power product quality and greenwashing. At the time, the marketing community felt there was great value in

being able to avoid having the environmental community attacking green offerings, because that would have a likely impact of turning the public off to green power in general. How do these organizations feel about the potential for abandoning Green-e, and respecting their end of the bargain? I suspect the marketers currently in the program that ARE Green-e certified are not threats to put products on the street that would be subject to such attack. But are there others who would enter the market with undesirable products if there were no standard and/or nobody certified?

- Is it reasonable and appropriate to look to free-ride off the Green-e standards by requiring "equivalent" without contributing to paying for upkeep?
- What benefits were expected and sought from using and encouraging a minimum certification standard for green power products?
- Do we still attribute value to those benefits (collectively and individually)?
- Are there now substitutes in place to provide those same benefits (collectively and individually)?

Administration

21) Strategic Plan –The final budget allocations for voluntary programs is attached.

22) ACORE Federal Policy Workshop – The workshop was held on July 19 and several from Rhode Island attended, including Janet Keller who gave a brief opening address on behalf of the Fund, and Charlie Hawkins from Senator Chaffee's office. Federal policy recommendations discussed at the workshop are being drafted by the participants for presentation at a meeting in October in Washington to government officials.